

Week ending May 15, 2020

## JA\$ FIXED INCOME

- The JA\$ Fixed income market traded with moderate liquidity conditions during the week.
- The BOJ auctioned its 30-day CD this week offering JA\$4.5 Billion to the market. The auction was oversubscribed; the weighted average yield decreased marginally by 1bps compared to last week's result, moving from .72% to 0.71%.
- The GOJ auctioned its three tenors of T-Bill. All tenors continue to be oversubscribed, with all the average yields of all three tenors increasing. See T-Bill table below.
- Next week, the market is expected to trade with high liquidity conditions due to BOJ reducing the JMD cash reserve requirement.

See closing repo rates below:

Tenor	Current Rate %
Overnight	0.35 – 0.50
30 days	1.90 – 2.25
90 days	2.50 – 2.75
180 days	3.00 - 3.25
365 days	3.50 – 3.85

## US\$ FIXED INCOME

The US\$ Fixed income market traded with moderate to high demand over the week, predominantly driven by corporate and broker demand for longer tenured funding. Supply for funding remains concentrated for shorter tenors as market participants continue to monitor the effects of the current health crises. See closing repo rates below:

Tenor	Current Rate %
Overnight	1.00 -1.50
30 days	2.75-3.00
90 days	3.25-3.50
180 days	3.75-4.00
365 days	4.10-4.25

### JA\$ Treasury-Bill Weighted Average Yields

Instrument	90 Day Treasury Bill	180 Day Treasury Bill	270 Day Treasury Bill
Last Auction	May 15, 2020	May 15, 2020	May 15, 2020
Current Yield	1.78%	1.53%	1.83%
Previous Yield	1.08%	1.05%	1.73%
Net Change	0.70%	0.48%	0.10%
Next Auction	TBA	TBA	TBA

(Source: Bank of Jamaica)

## GLOBAL BOND MARKET

- GOJ bond prices moved higher this week amidst relatively active trading.
- The IMF Executive Board approved Jamaica's request for emergency financial assistance of about US\$520 million to help meet the urgent balance-of-payments needs stemming from the COVID-19 pandemic.
- US Fed Chair Jerome Powell warns of the economic risks of the Coronavirus while downplaying negative interest rates.
- Rising unemployment numbers globally continues to be a direct economic result of the Covid-19 pandemic.
- One in every four U.S. restaurants will go out of business due to the coronavirus quarantines that have battered the food-service industry, according to a forecast by OpenTable.
- Costa Rica was downgraded to B from B+ by Fitch; outlook negative.

(Source: Bloomberg)

## FX MARKET

- The foreign exchange market traded with high demand over the week amidst low supply.
- The Bank of Jamaica (BOJ) did not intervene in the market via B-FXITT this week.
- At the end of trading, Friday May 15, 2020, the Jamaican dollar was valued at \$147.11 against the US\$ which represents an approximately \$1.04 depreciation in the value of the JA\$ for the week.

	Weighted Avg. Sell Rates						Weekly Change (\$)
	8-May-20	11-May-20	12-May-20	13-May-20	14-May-20	15-May-20	
USD	146.0723	146.3302	146.8757	147.1301	147.1278	147.1157	(1.0434)
CAD	104.7956	105.0721	105.8407	105.5283	106.3211	106.3199	(1.5243)
GBP	179.6311	181.2195	178.7175	181.6172	183.2824	179.5943	0.0368
EUR	161.0921	160.0285	162.1298	161.8783	161.9752	161.6932	(0.6011)

(Source: Bank of Jamaica)

## REGIONAL EQUITY MARKETS

### JAMAICA

Market activity resulted from trading in 99 stocks of which 45 advanced, 45 declined and 9 traded firm.

The Market volume amounted to 93,777,437 units valued at over J\$590,017,410.78.

The market volume leaders are TransJamaica Highway Limited with 33,745,876 units (35.99%) followed by Wigton Windfarm Limited with 8,475,276 units (9.04%) and Mailpac Group Limited with 8,193,205 units (8.74%).

US\$ market volume (excluding blocks) amounted to 3,441,679 units valued at over US\$191,848.63.

- The JSE Combined Index advanced by 1,063.59 points (0.29%) to close at 371,399.39.
- The JSE Index advanced by 870.31 points (0.23%) to close at 375,066.49.
- The JSE All Jamaican Composite Index advanced by 929.40 points (0.23%) to close at 411,473.46.
- The JSE Select Index advanced by 6.80 points (0.07%) to close at 9,498.87.
- The JSE Cross Listed Index advanced by 1.20 points (1.46%) to close at 83.16.
- The Junior Market Index advanced by 24.51 points (1.01%) to close at 2,444.99.
- The JSE USD Equities Index declined by 1.72 points (0.91%) to close at 186.97.
- The JSE Financial Index declined by 0.25 points (0.25%) to close at 100.42.
- The JSE Manufacturing & Distribution Index advanced by 0.86 points (1.16%) to close at 74.71

(Source: Jamaica Stock Exchange)

### TRINIDAD

The Market activity resulted from trading 25 stocks of which 13 advanced, 7 declined and 5 traded firm.

The Market volume amounted to 1,354,455 units valued at over TT\$31,802,699.62

The volume leaders are NCB Financial Group 328,221 units (24.23%) followed by Clico Investments Fund with 263,064 units (19.42%) and Guardian Holdings Limited with 214,291 units (15.82%).

#### The following reflect the movement of the TTSE Indices: -

- The Composite Index advanced by 12.98 points (1.03%) to close at 1,270.95.
- The All T&T Index advanced by 29.67 points (1.77%) to close at 1,704.96.
- The Cross Listed Index declined by 0.54 points (0.48%) to close at 113.16.
- The SME Index remained unchanged at 67.69.

(Source: Trinidad and Tobago Stock Exchange)

### BARBADOS

This week, the Regular Market traded a total volume of 10,200 shares. The two companies traded were Eppley Caribbean Property Fund SCC – Development Fund with 10,000 shares (98.04%) and West India Biscuit Company Limited with 200 shares.

#### The BSE Indices ending May 15, 2020.

INDICES	TODAY'S TRADING	LAST TRADING	CHANGES	
	15-May-20	8-May-20		% Change
Local	3,094.25	3,095.23	-0.98	-0.032%
Cross-list	1,400.14	1,400.14	-	-
Composite	757.38	757.62	-0.24	-0.032%

(Source: Barbados Stock Exchange)

## REGIONAL EQUITY MARKETS

### In other JSE news:

- Sagicor Group Jamaica (SJ) has advised that, subject to regulatory approval, the following persons have been appointed to the Board of Directors of the Company effective May 13, 2020: Ms. Lisa Lake, Mr. Reza Satchu, Mr. Mahmood Khimji and Mr. Timothy Hodgson. SJ has further advised that Messrs. Jeffrey Cobham and Richard Downer resigned as Directors on May 13, 2020 but will remain as Directors of Sagicor Life Jamaica Limited.
- GraceKennedy (GK) has declared a dividend of 25 cents per stock unit payable on June 15, 2020 to stockholders on record as at May 29, 2020. The Company's Register of Members will be closed from the close of business on May 29, 2020 to June 5, 2020. The ex-dividend date is May 28, 2020.
- Wigton Windfarm Limited (WIG) has advised that the Company has opted to submit its audited financial statements within 60 days of the financial year end, in lieu of unaudited financial statements for the fourth quarter.
- Sagicor Select Fund Financial (SELECTF) has advised that the Board has decided not to declare an interim dividend for this period based on a decision by the BOJ to suspend the payment of dividends for Banks and Financial Holding Companies.
- The Jamaica Stock Exchange Limited (JSE) has advised of the decision to grant an extension of forty five (45) days to listed companies who are required to file their annual, audited and quarterly reports in the month of May 2020.

### See below for top advancers and losers for the week:

Advancers				Decliners			
Symbol	Close Price (\$)	Change (\$)	%	Symbol	Close Price (\$)	Change (\$)	%
IROCK	2.70	0.54	25.00%	KEY	7.70	(2.01)	-20.70%
138SL	7.97	1.47	22.62%	MJE	7.86	(2.04)	-20.61%
SSLVC	0.90	0.15	20.00%	JMMBGL 7.25%	1.20	(0.30)	-20.00%

(Source: Jamaica Stock Exchange)

## Non-GOJ Global Bond Indicative Prices

Bond	Coupon	Size (US\$m)	Bloomberg Composite Rating	Buyback Price	Sale Price	Indicative Offer Yield
Banco BMG SA 8.875% 08/05/2020	8.875%	169.630	B-	89.77	98.84	14.19%
Banco De Credito Del Peru 4.25% 04/01/2023	4.250%	716.301	BBB+	97.03	106.27	1.99%
Bancolumbia SA 5.125% 09/11/2022	5.125%	2.945	NR	93.93	103.22	3.66%
Centrais Eletricas Brasileiras 5.75% 10/27/2021	5.750%	625.702	BB-	93.68	102.87	3.68%
Chicago Board of Education US\$ Bond 6.319% 11/01/2029	6.319%	257.125	BB-	90.10	100.10	6.30%
Credito Real SAB De CV 9.50% 02/07/2026	9.500%	400.000	BB	86.82	97.57	10.06%
Digicel Group Ltd 7.125% 04/01/2022	7.125%	21.004	C+	2.94	11.56	189.21%
Digicel Group Ltd 8.25% 09/30/2020	8.250%	62.851	C+	1.96	13.17	1726.92%
Digicel Group Two Ltd 8.25% 09/30/2022	8.250%	937.149	C+	3.00	10.29	150.66%
Digicel Group One Ltd 8.25% 12/30/2022	8.250%	1,000.000	CC	59.84	69.76	22.81%
Digicel Group Two Ltd 9.125% 04/01/2024	9.125%	993.016	NR	1.00	7.71	114.04%
Genworth Holdings Inc 6.50% 06/15/2034	6.500%	300.000	B	60.05	70.27	10.61%
Govt. of Aruba 4.625% 09/14/2023	4.625%	253.000	BBB-	90.67	101.10	4.12%
Govt. of Bahamas 5.75% 01/16/2024	5.750%	300.000	BB+	65.75	76.52	14.19%
Govt. of Bahamas 6.00% 11/21/2028	6.000%	750.000	BB+	65.13	73.68	11.31%
Govt. of Bahamas 6.95% 11/20/2029	6.950%	300.000	BB+	66.16	80.04	10.29%
Govt. of Barbados 6.50% 10/01/2029	6.500%	530.595	NR	82.17	93.83	7.65%
Govt. of Barbados 6.50% 02/01/2021	6.500%	32.482	NR	90.89	98.30	30.26%
Govt. of Bermuda 4.138% 01/03/2023	4.138%	475.000	A	98.39	105.84	1.85%
Govt. of Bermuda 4.854% 02/06/2024	4.854%	550.000	A	102.66	110.81	1.83%
Govt. of Costa Rica 4.375% 04/30/2025	4.375%	500.000	B	77.07	87.74	7.38%
Govt. of Dominican Republic 5.875% 04/18/2024	5.875%	1,000.000	BB-	94.73	105.35	3.91%
Govt. of Panama 9.375% 04/01/2029	9.375%	951.425	BBB	138.46	146.85	3.25%
Govt. of Trinidad 4.375% 01/16/2024	4.375%	550.000	BB+	90.83	102.14	3.74%
Govt. of Venezuela 9.250% 05/07/2028	9.250%	2,000.000	DD+	4.48	13.58	59.31%
Govt. of Venezuela 9.25% 09/15/2027	9.250%	4,000.000	DD+	4.48	14.02	62.46%
Instituto Costa de Electricidad 6.95% 11/10/2021	6.950%	500.000	B	86.69	99.17	7.55%
National Gas Company 6.05% 01/15/2036	6.050%	400.000	BB+	85.80	98.80	6.17%
Petrobras Global Finance 4.375% 05/20/2023	4.375%	1,405.620	BB-	90.88	100.28	4.27%
Petrobras Global Finance 4.75% 01/14/2025 Euro Denom	4.750%	639.649	BB-	90.09	102.83	4.07%
Petroleos De Venezuela SA 12.75% 02/17/2022	12.750%	3,000.000	NR	0.61	7.29	283.91%
Petroleos De Venezuela SA 5.375% 04/12/2027	5.375%	3,000.000	NR	0.54	7.43	70.54%
Petroleos De Venezuela SA 9.00% 11/17/2021	9.000%	2,394.240	NR	0.79	7.39	195.52%
Petroleos De Venezuela SA 9.75% 05/17/2035	9.750%	3,000.000	NR	0.85	7.53	89.79%
Sagicor Finance Ltd 8.875% 08/11/2022	8.875%	318.103	BB-	94.85	103.97	14.21%
Scotiabank Peru S.A.A 4.50% 12/13/2027	4.500%	400.000	BBB	96.09	105.65	2.22%
Transjamaica 5.75% 10/10/2036	5.750%	225.000	B+	85.52	96.97	5.32%
Trinidad Petroleum Holdings Ltd. 9.75% 06/15/2026	9.750%	570.265	BB-	85.53	98.31	10.25%
Unicomer 7.875% 04/01/2024	7.875%	350.000	BB-	85.80	94.94	18.82%

## GOJ Global Bond Indicative Prices

BOND	CURRENCY	SIZE (M)	COUPON	BID	OFFER	Offer YTM
GOJ 2022	USD	208.24	11.625%	104.00	115.40	2.17%
GOJ 2025	USD	401.18	7.625%	100.00	112.50	4.85%
GOJ 2025	USD	85.23	9.250%	107.00	118.20	5.34%
GOJ 2028	USD	1421.45	6.750%	97.25	108.75	5.38%
GOJ 2036	USD	250	8.500%	105.40	115.85	6.84%
GOJ 2039	USD	1243.24	8.000%	103.10	115.10	6.59%
GOJ 2045	USD	1815	7.875%	101.75	113.75	6.73%
AIRJAM 2027	USD	89.2857	8.125%	95.00	108.50	5.39%
NROCC 2024	USD	294.18	9.375%	101.00	113.50	5.91%